



J A P A N

F O R E S I G H T

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Takaichi woos Trump but Japan still faces a sea of troubles

Key takeaways

- Prime Minister Takaichi Sanae won plaudits for her summit with US President Donald Trump after avoiding discord over the Hormuz crisis and other bilateral issues.
- Despite her successful personal diplomacy, Japan still faces a number of unresolved questions in its relationship with the US that could complicate its strategic position and prompt questions for Takaichi at home.

At the most fundamental level, **Prime Minister Takaichi Sanae's visit to Washington was successful**. The prime minister again demonstrated the easy rapport she enjoys with US President Donald Trump. **She avoided open confrontation** with Trump over whether Japan would send its armed forces to support efforts to open the Strait of Hormuz. **She was able to announce new frameworks** – an action plan for critical minerals supply chains and a new working group to explore deep sea mining of rare earths – advancing some of her strategic priorities. There was also no public discussion of specific numbers for Japan's defense budget – beneficial for Takaichi insofar as she wants to avoid the impression that she is increasing defense spending at Washington's behest – while a White House fact sheet welcomed "Japan's commitment to rapidly strengthen its own defense capabilities, increase its defense budget, and continue partnering with U.S. forces in Japan and the region." **Takaichi, in short, avoided the worst-case scenario heading into the summit.**

However, when considering the substance of the summit, **what appears most notable is how little was settled**. Takaichi avoided a potentially awkward formal press conference after their talks and the two governments avoided having to face their differences head on by simply not issuing a joint statement, but it appears that the two governments have opted mostly to avoid publicly addressing the areas of friction. The

upshot is that it is difficult to rule out future bilateral friction or, for that matter, potential domestic friction for the prime minister over the unresolved questions.

First, although Takaichi may have convinced Trump that Japan cannot send warships to the Persian Gulf now, **the Hormuz crisis will continue to loom over the bilateral relationship**. While the prime minister endorsed the aim of preventing Iran from acquiring nuclear weapons and condemned Iran's attacks on energy infrastructure and closure of the strait – views that were also included in the joint statement Takaichi signed with the leaders of the United Kingdom, France, Germany, Italy, and Netherlands before her meeting with Trump – the fact remains that the strait remains effectively closed, with uncertain economic effects for Japan. The Trump administration's endgame for the war, not to mention its long-term intentions for the region after the war, remain opaque. There is no guarantee that Japan will not be on the receiving end of future broadsides from Trump for its perceived lack of support, particularly if the US commits ground forces to secure the strait, resulting in casualties and a more protracted conflict to open the waterway. Japan may have garnered praise from Trump Thursday for “stepping up” – “unlike NATO,” Trump added – but given that it is not immediately clear what Takaichi offered to earn such praise, it is difficult to rule out future tensions.

Second, **it is difficult to judge whether Takaichi's visit has closed the rift that has been opened between Japan and the US on China**. Japanese leaders have been dismayed over tepid support for Japan in its confrontation with China over Takaichi's remarks on a Taiwan contingency, and it was auspicious that on the eve of the summit, Tokyo and Washington were at odds over the conclusion in a US intelligence community's annual threat assessment that Takaichi's remarks marked a “significant shift for a sitting Japanese prime minister,” a conclusion that undercuts the Japanese government's position and drew a rebuke from the Takaichi government hours before the summit. While Trump and Takaichi discussed Japan's friction with China during their public session – prompting Trump to say that he will “put in a good word” with Xi Jinping when they meet during their now-delayed summit – there is little from Thursday's summit to suggest that the prime minister convinced Trump to back Japan more firmly and prioritize bolstering deterrence and resist Chinese efforts to drive a wedge between Japan and the US. The White House fact sheet's language on Taiwan was boilerplate – “[opposing] any attempts to unilaterally change the status quo, including by force or coercion” – but any rhetorical commitment has to contend with the fact that the US will be preoccupied with the Middle East for the foreseeable future (and was already prioritizing the Western Hemisphere in its strategic thinking even before the war against Iran). As the US draws down stockpiles of munitions and shifts assets from East Asia to the Middle East, Japan's need for reassurance from Washington may only grow. Meanwhile, the US-led war against Iran could have other strategic ripples in East Asia, with Beijing announcing that it will help Southeast Asian countries cope with energy and fertilizer supply disruptions.

Third, while Takaichi has apparently avoided friction over Japan's defense spending, **her government still faces impending negotiations with the Trump administration over a new special measures agreement (SMA)**, which covers Japan's host nation

support for US forces in Japan. A new agreement will need to be in place by FY2027, meaning talks will have to be held to have a new agreement ready for Japan's next budget. During his first term Trump demanded an extraordinary increase in Japan's contributions, resulting in a deadlock that was only resolved by the transition to the Biden administration. No such relief will be in the offing this time, but this issue has been conspicuously absent from the agenda at both of Takaichi's summits with Trump.

Finally, although the US and Japan announced a second tranche of projects related to the USD 550bn US-Japan investment framework – USD 40bn towards small modular reactor projects in Tennessee and Alabama and USD 33bn towards natural gas generation in Texas and Pennsylvania – **the Japanese government is still working out how the projects will actually be funded** in terms of the mix between funding from the Japan Bank for International Cooperation (JBIC) and other public financial institutions and government-guaranteed private lending. **There are misgivings in Tokyo over the investment framework** – including whether the projects are “win-win,” how they have been identified, the role of Softbank's Son Masayoshi in the process, the benefits for Japanese taxpayers – though these have been contained in the name of allied unity, but they will linger as a potential complication. Meanwhile, **neither the public discussions nor the various press releases made any mention of Japan's concerns that with the nullification of IEEPA tariffs by the Supreme Court, Japan now faces higher tariffs on some of its exports despite its agreement with the US.** Nor was there discussion of the possibility that Japan could face additional tariffs resulting from the US Trade Representative's newly launched Section 301 investigations. Nevertheless, Japan's willingness to sign on to investment projects, funding questions notwithstanding, has likely bought it some goodwill for the time being.

Accordingly, to the extent that the Takaichi government's goal was to avoid overt friction and to alleviate pressure from Trump in the near term, the summit was overwhelmingly successful. But it does not change the [underlying](#) power dynamics or the many challenges awaiting in the relationship; few in Tokyo are under any illusions that the threats to the relationship have been anything but kicked down the road. **Ultimately, the Japanese government's approach to these summits is increasingly harm reduction:** show that the leaders get along well with each other, issue some memoranda announcing new projects, avoid overt signs of discord, and hope that US credibility in East Asia is not directly tested.

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